

Ordinance No. 20764-05-2013

AN ORDINANCE INCREASING THE ESTIMATED RECEIPTS AND APPROPRIATIONS IN THE SPECIAL TRUST FUND IN THE AMOUNT OF \$11,095,452.00 FROM AVAILABLE FUNDS, FOR THE PURPOSE OF FUNDING IMPLEMENTATION OF ESPC PHASE 7 WITH JOHNSON CONTROLS, INC. IN THE AMOUNT OF \$10,955,452.00 AND FUNDING CONSTRUCTION INSPECTION AND CONTINGENCES IN THE AMOUNT OF \$140,000.00; PROVIDING FOR A SEVERABILITY CLAUSE; MAKING THIS ORDINANCE CUMULATIVE OF PRIOR ORDINANCES; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH,  
TEXAS:

SECTION 1.

That in addition to those amounts allocated to the various City departments for Fiscal Year 2012-2013 in the Budget of the City Manager, there shall also be increased estimated receipts and appropriations in the Special Trust Fund in the amount of \$11,095,452.00, from available funds, for the purpose of funding implementation of ESPC Phase 7 with Johnson Controls, Inc. in the amount of \$10,955,452.00 and funding construction inspection and contingencies in the amount of \$140,000.00.

SECTION 2.

That should any portion, section or part of a section of this ordinance be declared invalid, inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion or judgment shall in no way impair the remaining portions, sections, or parts of sections of this ordinance, which said remaining provisions shall be and remain in full force and effect.

SECTION 3.

That this ordinance shall be cumulative of Ordinance No. 20411-09-2012 and all other ordinances and appropriations amending the same except in those instances where the provisions of this ordinance are in direct conflict with such other ordinances and appropriations, in which instance said conflicting provisions of said prior ordinances and appropriations are hereby expressly repealed.

SECTION 4.

This ordinance shall take effect upon adoption.

APPROVED AS TO FORM AND LEGALITY:



Doug Black, Assistant City Attorney

ADOPTED AND EFFECTIVE: May 21, 2013

*City of Fort Worth, Texas*  
**Mayor and Council Communication**

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**COUNCIL ACTION: Approved on 5/21/2013 - Ordinance No. 20764-05-2013**

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**DATE:** Tuesday, May 21, 2013

**REFERENCE NO.:** C-26273

**LOG NAME:** 20ESPC7

**SUBJECT:**

Authorize Execution of a Master Municipal Equipment Lease-Purchase Agreement with All American Investment Group, LLC, in the Amount of \$18,443,309.30, Authorize Execution of an Escrow Agreement with All American Investment Group, LLC, and SunTrust Bank, Authorize Execution of Amendment No. 8 to City Secretary Contract No. 29110 with Johnson Controls, Inc., in the Amount of \$10,955,452.00 to Support the Refinance of Phase 4 of the City's Energy Savings Performance Contract and the Finance and Implementation of Phase 7 of the City's Energy Savings Performance Contract at Selected City-Owned Facilities, Provide for Project Costs and Contingencies in the Amount of \$140,000.00 for a Total Project in the Amount of \$11,095,452.00 and Adopt Appropriation Ordinance (ALL COUNCIL DISTRICTS)

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**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize the execution of a Master Municipal Equipment Lease-Purchase Agreement with All American Investment Group, LLC (AAIG) in the amount of \$18,443,309.30 to refinance Phase 4, \$7,487,857.30 of the City's Energy Savings Performance Contract (ESPC) with Johnson Controls, Inc. (JCI) and to finance implementation of ESPC Phase 7, in the amount of \$10,955,452.00 with JCI;
2. Authorize the execution of an Escrow Agreement with AAIG and SunTrust Bank as required by the Master Municipal Equipment Lease-Purchase Agreement;
3. Adopt the attached Appropriation Ordinance increasing Fiscal Year 2013 estimated receipts and appropriations in the Special Trust Fund in the amount of \$11,095,452.00 from available funds to fund implementation of ESPC Phase 7, in the amount of \$10,955,452.00 with JCI and construction inspection and contingencies in the amount of \$140,000.00; and
4. Authorize execution of Amendment No. 8 to City Secretary Contract No. 29110 with JCI in the amount of \$10,955,452.00 to implement ESPC with JCI for selected City-owned and operated facilities.

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**DISCUSSION:**

The purpose of this Mayor and Council Communication is to authorize the following three actions:

1. Consolidate all previous phases of the existing City General Fund Energy Savings Performance Contract projects into a single ESPC Phase 7 project.
2. Implement \$10,955,452.00 in new energy efficient infrastructure improvements in ESPC Phase 7 as recommended by a detailed energy study conducted by Johnson Controls, Inc., as a result of M&C C-25751 approved on July 24, 2012.

3. Refinance ESPC Phase 4 from an effective interest rate of 4.48 percent to 2.236 percent.

#### Scope of Work

The Phase 7 project includes the following new facility improvements: Lighting; Air Conditioning and Controls; Retro-Commissioning; Window Film and Sealing; Water Conservation; and Power Factor Correction. This work is planned variously at the following facilities: City Hall and Service Building; Monroe Street and Zipper Annexes; Public Safety and Courts; Animal Care and Control Center; Fort Worth Water Gardens; Central, East and Southwest Regional Libraries; Fort Worth Convention Center; Commerce Street Parking Garage; and James Avenue, Southside, and Brennan Avenue Service Centers. Altogether, over 100-city-owned and-operated facilities are included in Phase 7's consolidation of ESPC Phases 1, 2, 3, 4, and 6b. Phases 5 and 6a were implemented with separate funding from the Water Department and are not part of this consolidated Phase 7.

#### Project Funding

<u>Funding Source</u>	
Master Municipal Lease Purchase Agreement	\$ 18,443,309.30
Special Trust Fund Energy Conservation Reserve Account	\$ 140,000.00
<b>Total</b>	<b>\$ 18,583,309.30</b>

<u>Costs</u>	
New Energy Efficient Infrastructure Improvements - Phase 7	\$ 10,955,452.00
Previous Phase 4 improvements being refinanced	\$ 7,487,857.30
Contingency	\$ 100,000.00
Staff costs	\$ 40,000.00
<b>Total</b>	<b>\$ 18,583,309.30</b>

Project funding primarily relies on a Master Equipment Lease-Purchase Agreement that will be repaid through guaranteed utility cost avoidance from previous phases and from implementation of new Phase 7 work elements. Cost avoidance from two current loans and one lease that would have been paid down from previous phases in Fiscal Years 2014, 2015, and 2018 will be used to financially support the new facility improvements. Funding for Staff construction inspection services and potential project contingencies is provided from previously secured utility incentives received by the City from participation in Oncor Electric Delivery's energy efficiency programs. These incentive funds were deposited into the Special Trust Fund's Energy Conservation Reserve Account, and any incentive revenues secured through implementation of Phase 7 will be deposited back into this same account.

#### Utility Cost Avoidance

Utility Cumulative Cost Avoidance over 14 years	\$ 41,723,130.00
<b>Project Costs over 14 years</b>	
Project Financing Principal and Interest	\$ 27,962,176.00
Annual Service Agreements	\$ 2,907,600.00
<b>Total Cumulative Project Costs</b>	<b>\$ 30,869,776.00</b>

Net Cumulative Cost Avoidance over 14 years \$ 10,853,354.00

M/WBE Office - Johnson Controls, Inc., is in compliance with the city's Business Diversity Enterprise Ordinance by committing to 10 percent Minority Business Enterprise participation on this project. The city's Minority Business Enterprise goal on this project is 10 percent.

ESPC Phase 7 involves improvements to city facilities located in ALL COUNCIL DISTRICTS.

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**FISCAL INFORMATION / CERTIFICATION:**

The Financial Management Services Director certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the capital budget, as appropriated, of the Special Trust Fund.

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**FUND CENTERS:**

<b><u>TO Fund/Account/Centers</u></b>		<b><u>FROM Fund/Account/Centers</u></b>	
5) FE72 488302 020543008000	\$140,000.00	3) FE72 531200 020543008000	\$100,000.00
5) FE72 531200 020543008000	\$100,000.00	3) FE72 511080 020543008000	\$40,000.00
5) FE72 511080 020543008000	\$40,000.00	5) FE72 539120 020543009000	\$10,955,452.00
3) FE72 485700 020543009000	\$10,955,452.00		
3) FE72 539120 020543009000	\$10,955,452.00		

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**CERTIFICATIONS:**

**Submitted for City Manager's Office by:**

Fernando Costa (6122)

Jay Chapa (8517)

**Originating Department Head:**

Douglas W. Wiersig (7801)

Samuel C. Steele (1276)

**Additional Information Contact:**

Glenn Balog (2028)